

JANUARY 16, 2018

**WEEKLY INDEX DATA** (For the Period Ending 1/12/18; Source: Bloomberg)

		Index Returns (%)					
	Level	1 Week	1 Month	3 Month	YTD	1 Year	3 Year
<b>EQUITIES</b>							
S&P 500	2,786	1.6	4.7	9.7	4.3	25.0	13.7
Dow Jones Industrial Average	25,803	2.0	5.4	13.6	4.4	32.9	16.7
Russell 2000	1,592	2.1	5.1	6.1	3.7	17.5	12.1
S&P Mid Cap 400	1,966	1.6	4.5	8.5	3.5	18.3	12.9
S&P Small Cap 600	969	2.1	5.1	6.9	3.5	16.9	14.1
MSCI EAFE	2,146	2.3	7.0	7.5	4.7	29.1	10.7
MSCI Emerging Markets	1,211	0.3	8.4	7.8	4.5	39.4	11.0
<b>FIXED INCOME</b>							
Barclays U.S. Aggregate TR	2,036	(0.2)	(0.2)	(0.2)	(0.5)	2.6	1.5
Barclays U.S. Corp. HY TR	1,963	0.0	0.8	1.0	0.7	7.0	6.6
S&P National Muni Bond	155	(0.4)	0.0	0.0	(0.4)	3.7	2.3

**WEEKLY COMMODITIES DATA** (1/12/18)

	Price
Crude Oil, WTI Spot	64.1
Natural Gas Spot	3.1
Gold USD Spot	1,335.6

**WEEKLY RATES DATA**

	Levels (%)			
	1/12/18	12/29/17	12/31/16	12/31/15
10-Year Treasury	2.55	2.40	2.45	2.27
Prime Rate	4.50	4.50	3.75	3.50

**LAST WEEK'S HEADLINES**

[Wal-Mart's Wage Hike Would Represent Just Five Hours of Sales](#) - Bloomberg.com

Wal-Mart Stores Inc. jolted the retail industry Thursday by raising its U.S. starting pay to \$11 an hour, a roughly 10 percent gain from the current level.

[California Vote Seals Fate of State's Last Nuclear Plant](#) - Bloomberg.com

California regulators approved a plan to close the state's last nuclear power plant, marking an end to the controversial era of atomic power in the Golden State.

[Bitcoin ETF Fast Track Derailed by SEC Liquidity, Safety Worries](#) - Bloomberg.com

The U.S. Securities and Exchange Commission has slammed the brakes on a dozen bitcoin exchange-traded funds and two cryptocurrency mutual funds since January 8, making the week a watershed for Washington pushing back on the investment craze of the moment.

**LOOKING AHEAD**

(Source: Bloomberg)

**DATE**

U.S.- Industrial Production (Month-over-Month)	1/17/18
U.S.- Housing Starts	1/18/18
U.S.- Continuing Claims	1/18/18

**INSIGHTS****Mortgage Applications Take Large Leap**

[MBA Mortgage applications](#) saw a strong start to the year jumping 8.3% in the first week after a decline of 1.6% in the previous week. Refinancing was the strongest supporter to the increase, with applications increasing 11% from the week prior. Although these numbers are impressive, one reason for the jump in applications was due to the fact that homebuyers were coming back in to the market after holiday vacations. Home buyers that wish to finance more expensive homes in 2018 will have to face higher property tax due to the Republican tax plan reducing available deductions.

**Producer Price Index Declines for First Time in Nearly 18 Months**

The [Producer Price Index](#) (PPI) for final demand declined 0.1% in the month of December after posting an increase of 0.4% in the month of November. Though producer prices are often a signal of what prices will be in the future, very modest inflation conditions may render the most recent PPI reading to be an outlier. The Fed has raised interest rates three times in 2017 and is expected to raise rates three times again in 2018, but it remains to be seen how long inflation can be held back and how that may affect the Fed's decision.

**U.S. Retail Data Suggests Strong Economy Exiting 2017**

[Retail sales](#) saw an increase of 0.4%, coming in below the estimated reading of 0.5% and a revised 0.9% in the month of November. These strong numbers are consistent with the high volume of holiday spending during the month of December. Sales on average over the previous two months posted the strongest numbers for any November and December since 2010. With consumer spending accounting for approximately 70% of the U.S. GDP, strong numbers could be a reassuring signal that the Fed will stick to its plan of three rate hikes in 2018 despite soft inflation.

Past performance is not indicative of future results. Please refer to page 2 for important disclosures.

JANUARY 16, 2018

**DISCLOSURES**

Past performance is not indicative of future results. Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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All returns represent total returns for the stated period. The Standard & Poor's 500 Index is a market capitalization free-float adjusted index of the prices of 500 large capitalization common stocks traded in the United States. The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. The Russell 2000 Index is a market capitalization free-float adjusted index that is considered to be representative of the small cap segment of the U.S. equity universe. The MSCI EAFE Index is a market capitalization weighted index and is designed to measure the equity market performance of developed markets (Europe, Australasia, and Far East) excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free-float adjusted market capitalization index that is designed to measure the equity market performance in the global emerging markets. The Barclays Aggregate Bond Index is a market-capitalization weighted index that is considered to be representative of U.S. traded investment grade bonds. The Barclays Municipal Bond Index is a market-capitalization weighted index that is considered to be representative of U.S. traded investment grade municipal bonds. The Bank of America Merrill Lynch High Yield Master Index is a market-capitalization weighted index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. You cannot invest directly in an index.

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